

Reforms, Restructuring and Reinventing Committee
Chairman Mark Jansen
A359 and A360 (Jansen) Benefit Corporation Legislation
Wednesday, October 5, 2011
Room 402/403 Capitol Building
Lansing, Michigan

Good morning Chairman Jansen and members of the committee,

My name is Fred Keller. I am the Chairman and CEO of Cascade Engineering, a leading multi-business manufacturer in the transportation, recycling, office furniture, and renewable energy industries, specializing in plastic injection molding with 1200 employees in five U.S. and Europe locations, including X-9 in Michigan. I founded Cascade Engineering in 1973. Cascade is widely recognized for its business achievements and community involvement. *The Company's recognition includes the White House's Ron Brown Award for Corporate Leadership; Society for Human Resource Management's top 10 "Best Medium Companies to Work for in America"; Goodwill Industries' "Employer of the Year" award, and Chrysler's "Technology Role Model" award.*

As a Michigan business leader, I support S.359 and S.360 because Benefit Corporation legislation fosters the development of a growing sector of our economy comprised of innovative businesses like Cascade that seek to create benefit for society and the environment, not just their shareholders.

As a business leader in this new economy, having, the legal protection afforded by S.359 and S.360 clarifies the legitimacy of our corporate *purpose to have a positive impact on society, the environment and to be financially successful*. Thousands of companies like Cascade believe that we are redefining success in business and that our success is tied to the achievement of these goals. We seek to do far more than simply pick a single charity or environmental project to burnish our image, but rather we seek to improve the world we work in. As more companies adopt ~~adapt~~ to this form, we can be assured that this legislation will make the state of Michigan more attractive and opens the door to an increasing number of businesses. ~~Further in favor of this legislation, t~~ The Grand Rapids Chamber of Commerce has also provided written testimony supporting this bill.

Benefit Corporation legislation also provides *accountability* to shareholders, including founding entrepreneurs like me, by ensuring that our directors and the next generation of officers are required to work toward our overall mission of creating a material positive impact. The accountability provisions ensure that the company's *purpose* becomes more than a marketing tool, but rather part of the company's DNA, and that directors are required to consider the impact of their decisions on the long term interests of society, not just the short term interests of our shareholders.

To ensure *transparency* to shareholders and the public at-large, Benefit Corporations are required to assess their success at creating general public benefit against a third party standard. By doing so, the company and all its stakeholders are made aware of how well the Benefit Corporation is performing relative to comprehensive, credible, and independent standards for

assessing a company's overall social and environmental performance. Markets thrive on clarity and transparency; these third party standards provisions create a level playing field and ensure that the marketplace for businesses like Cascade can grow.

As a business leader who speaks to entrepreneurs across the country, I can attest to the demand for Benefit Corporation legislation as a much-needed legal innovation that helps businesses like Cascade differentiate themselves in the increasingly competitive marketplace and protect their mission as they grow so they can create even more high quality jobs and continue to improve the quality of life in Michigan's communities. Benefit Corporation legislation has been enacted in five (5) states and is on the Governors' desks in CA and NY. By enacting this legislation, Michigan will be a leader in this unfolding development of market based solutions to our economic problems. I seek your aye vote on S.359 and S.360 a completely voluntary new corporate form.

In supporting this legislation many Michigan businesses can ~~To~~ have a positive impact on society, the environment and ~~to be~~ financially successful.